

STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: Miro Zecevic, CEO and Managing Member
Cash Now.com, LLC
Cash Now Plus.com, LLC
2005 Easton Road
Doylestown, PA 18901

File Nos. 995-3453
& 995-3480

Miro Zecevic, CEO and Managing Member
Cash Now.com, LLC
Cash Now Plus.com, LLC
3100 Steeles Avenue East, Suite 201
Toronto, Ontario L3R 8T9 Canada

STATEMENT IN SUPPORT OF ORDER
DENYING EFFECTIVENESS OF FRANCHISE REGISTRATION

(Corporations Code section 31117)

The California Corporations Commissioner finds that:

1. Cash Now.com, LLC is a Delaware limited liability company that was formed on May 15, 2003. Its head office is located at 3100 Steeles Avenue East, Suite 201, Toronto, Ontario, L3R 8T9, Canada. Cash Now.com, LLC formerly maintained a regional office in the United States at 8260 Greensboro Drive, Suite 550, McClean, Virginia 22102. As of January 26, 2004, its regional office in the United States has been moved to 2005 Easton Road, Doylestown, PA 18901. Cash Now.com, LLC is engaged in business activities relating to the franchising of Cash Now businesses. Cash Now

businesses are retail outlets which offer small, short-term consumer loans (so-called “payday loans”), money transfers, money wiring and walk-in credit applications.

2. Cash Now Plus.com, LLC is a Delaware limited liability company that was formed on July 3, 2003. Its offices are located at the same addresses as those of Cash Now.com, LLC, with which it is affiliated. Cash Now Plus.com, LLC is engaged in business activities relating to the franchising of Cash Now Plus businesses. Cash Now Plus businesses are retail outlets which offer small, short-term consumer loans (so-called “payday loans”), check cashing, money transfers, money wiring, mail box rentals, overnight delivery, tax return preparation, bill payment, fax, photo copying, walk-in credit applications, credit card applications and secured credit cards.

3. Cash Now-USA.Com, Inc. and Cash Now, Inc. are affiliates of Cash Now.com, LLC and Cash Now Plus.com, LLC. Their offices are located at the same addresses as those of Cash Now.com, LLC and Cash Now Plus.com, LLC.

4. Cash Now.com, LLC, Cash Now Plus.com, LLC, Cash Now-USA.com, Inc., Cash Now, Inc. and their other affiliates maintain websites at URLs including www.cashnow.com, www.cashnow-usa.com, www.cashnowplusllc.us, www.cashnowllc.us, www.cashnowamerica.com, and www.paydayloanbusiness.com. They claim to own a unique system for opening and operating businesses to provide payday loans and related services.

5. Miro Zecevic is the chief executive officer of Cash Now.com, LLC, Cash Now Plus.com, LLC, Cash Now-USA.com, Inc. and Cash Now, Inc. He is also the managing member of Cash Now.com, LLC and Cash Now Plus.com, LLC.

6. On November 22, 2002, Cash Now-USA.Com, Inc. and its affiliate Cash Now Fransys Inc. received a cease and desist letter from the State of Washington, Department of Financial Institutions,

1 Securities Division, demanding that they immediately cease directing offers of franchises to
2 Washington residents by means of the Internet.

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4 7. On November 25, 2002, Cash Now-USA.Com, Inc. and its affiliate Cash Now Fransys Inc.
5 received a cease and desist letter from the State of Washington, Department of Financial Institutions,
6 Securities Division, demanding that they immediately cease making offers of unregistered securities
7 to Washington residents.

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9 8. On August 5, 2003, the Division of Securities of the Wisconsin Department of Financial
10 Institutions issued a summary Order of Prohibition to Cash Now-USA.Com, Inc. and its affiliates and
11 controlling persons, including Miro Zecevic, to prohibit them from making any further offers or sales
12 of franchises unless and until the franchises were registered under Wisconsin law. The order was
13 based upon a finding that Cash Now-USA.Com, Inc. had made a sale of an unregistered Cash Now
14 franchise to a Wisconsin resident in approximately October-November, 2002.

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16 9. During 2003 the Office of the Illinois Attorney General issued a Notice of Violation to
17 Cash Now, Inc. relating to its sale of an unregistered franchise in Illinois. Pursuant to that Notice of
18 Violation, Cash Now, Inc. paid a fine of \$1,500.

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20 10. On August 11, 2003 the Securities Department of the Illinois Secretary of State issued a
21 Temporary Order of Prohibition to Cash Now, Inc., on behalf of its officers and directors, agents,
22 employees, affiliates, successors, and assigns, prohibiting them from selling securities in Illinois or
23 from Illinois.

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25 11. On or about October 23, 2003, Cash Now Plus.com, LLC filed an application pursuant to
26 Corporations Code section 31111 for registration of an offer to sell Cash Now Plus franchises in
27 California.

1 12. On or about November 3, 2003, Cash Now.com, LLC filed an application pursuant to
2 Corporations Code section 31111 for registration of an offer to sell Cash Now franchises in
3 California.

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5 13. During the period of approximately January through September of 2003, Cash Now-
6 USA.Com, Inc. sold Cash Now or Cash Now Plus franchises to at least five residents of California.
7 Each of the five California residents purchased a franchise to operate a Cash Now or Cash Now Plus
8 business in California. The franchises sold by Cash Now-USA.com, Inc. were substantially similar
9 to the Cash Now and Cash Now Plus franchises which Cash Now.com, LLC and Cash Now
10 Plus.com, LLC have applied to sell in California. One of the five prospective franchise purchasers
11 received a letter dated January 23, 2003 signed by Miro Zecevic, CEO, inviting him to make a formal
12 application to become a Cash Now franchisee.

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14 14. The offer and sale of franchises by Cash Now-USA.Com, Inc. in California was not
15 registered under the Franchise Investment Law and was not exempted under Chapter 1, beginning
16 with Corporations Code section 31100, of that law. The franchise purchasers were not told of the
17 prior administrative actions that had been taken against Cash Now-USA.Com, Inc. and its affiliates
18 by other states in violation of Corporations Code section 31201. The California Corporations
19 Commissioner issued an order to Cash Now-USA.Com, Inc. pursuant to Corporations Code section
20 31402 on March 30, 2004 to require it to desist and refrain from the further offer or sale of those
21 franchises unless and until the offer has been duly registered under the Franchise Investment Law.

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23 15. In November, 2003, Cash Now.com, LLC sold a Cash Now franchise to a resident of
24 California. At the time of that sale the offer of franchises by Cash Now-USA.com, LLC had not been
25 registered under the Franchise Investment Law and was not exempted under Chapter 1, beginning
26 with Corporations Code section 31100, of that law. The California Corporations Commissioner
27 issued an order to Cash Now.com, LLC pursuant to Corporations Code section 31402 on March 30,
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2004 to require it to desist and refrain from the further offer or sale of those franchises unless and until the offer has been duly registered under the Franchise Investment Law.

16. Cash Now-USA.Com, Inc. has been and currently is offering securities to residents of the state of California in issuer transactions from its websites and through related communications. The securities are in the form of promissory notes yielding purported monthly income payments at the rate of 12% to 24% per year from the factoring of its franchisees' receivables which are in the form of payday loans. The investments are explained at a company website page titled "Investment Info" at www.cashnow.com/cn_invinfoshtml. They were further explained by a company representative in an email to a prospective California investor in October of 2003 as follows:

"Basically if you invest 25 thousand dollars we will give you 20% per annum. Anything over 100 thousand dollars we would give you 22%. Anything above that would be [sic] have to be discussed. We provide you with 12 post dated checks all at once. The terms for your investment would mature in one year, at that point you could decide whether to leave it with Cash Now or pull out your investment. All of our investments are registered with the government and we provide you with a promissory note."

17. Although Cash Now-USA.Com, Inc. and its personnel represent that the investments "are registered with the government," in fact they are not registered with the California Corporations Commissioner. The Department of Corporations has not issued a permit or other form of qualification authorizing any person to offer and sell these securities in this state. The California Corporations Commissioner issued an order to Cash Now-USA.Com, Inc. pursuant to Corporations Code section 25532 on March 4, 2004 to require it to desist and refrain from the unlawful offer and sale of the securities in California.

Based upon the foregoing findings, the California Corporations Commissioner is of the opinion that:

- (1) franchise applicant Cash Now.com, LLC, its CEO and managing member Miro Zecevic, and its affiliate Cash Now-USA.Com, Inc., have failed to comply with the provisions of the Franchise Investment Law within the meaning of Corporations Code section 31115(a) by selling six unregistered franchises in California in violation of Corporation Code sections 31110 and 31201;
- (2) the offer or sale of franchises pursuant to the pending applications of Cash Now.com, LLC and Cash Now Plus.com, LLC would constitute misrepresentations to, or deceit or fraud of the purchasers within the meaning of Corporations Code section 31115(b) based upon the prior sales of unregistered franchises by franchise applicant Cash Now.com, LLC, its CEO and managing member Miro Zecevic, and its affiliate Cash Now-USA.com, Inc., in that most or all of those sales were made by means of concealment of administrative orders previously issued against those persons and their affiliates by regulatory agencies in other states; and
- (3) Miro Zecevic is a person identified in the franchise applications of Cash Now.com, LLC and Cash Now Plus.com, LLC as well as the CEO and managing member of those two franchise applicants, and is also subject to currently effective restrictive orders within the meaning of Corporations Code section 31115(d)(4), and that involvement of Miro Zecevic in the sale or management of franchises would create an unreasonable risk to prospective franchisees within the meaning of Corporations Code section 31115(d) in that Miro Zecevic has previously engaged in sales of unregistered franchises in California by means of concealment of administrative orders that were previously issued against him and companies of which he is a principal.

For the foregoing reasons the California Corporations Commissioner has determined that an order ///

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1 should be issued summarily pursuant to Corporations Code section 31115 to deny the effectiveness of
2 the franchise applications of Cash Now.com, LLC and Cash Now Plus.com, LLC.

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4 Dated: April 2, 2004
5 Los Angeles, California

6 WILLIAM P. WOOD
7 California Corporations Commissioner

8
9 By _____
10 KAREN PATTERSON
11 Supervising Counsel
12 Enforcement and Legal Services
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